

STATEMENT OF REASONS
WHY CHANGES IN THE REGULATIONS UNDER
THE CALIFORNIA RESIDENTIAL MORTGAGE LENDING ACT
CHAPTER 3, TITLE 10,
CALIFORNIA CODE OF REGULATIONS
ARE CHANGES WITHOUT REGULATORY EFFECT

As required by Section 100 of the rules of the Office of Administrative Law, the Commissioner of Corporations ("Commissioner") sets forth below the reasons for the proposed amendments to Section 1950.314.8 of Chapter 3, Title 10, California Code of Regulations (hereinafter Rules 1950.314.8) as changes without regulatory effect.

Section 100 defines a change without regulatory effect as one in which the change does not "materially alter" any requirement, right, responsibility, condition, prescription, or other regulatory element of any California Code of Regulations provision. Here, there is no material change since subsections (b) and (d)(2) of Section 1950.314.8 inadvertently refer to "finance company" (a term used in the other similar rule set forth in Section 1436 of Title 10), rather than the correct and current term of "licensee."

Accordingly this proposal amends, subsections (b) and (d)(2) of Section 1950.314.8 to revise the reference to "finance company" to read "licensee". The term "finance company" is inconsistent with the other existing and references used in the rule, as the current rules under the California Residential Mortgage Lending Act reference "licensee", not finance company. No other changes are proposed for the remainder of these sections.